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JUNE 26, 1967

TRADE IN GOURMET FOODS

EEC POULTRY REGULATIONS  
ARE THREAT FOR U.S.

SUDAN'S TWO NEW DAMS

# FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE

# FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

JUNE 26, 1967

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# Americans Share in International Specialty Food Trade

Each year, gourmet food suppliers in this country and elsewhere are broadening their markets and expanding sales to more and more of the world's consumers. In the developed countries people have more money to spend and more time to dine and entertain than in the past. They are generally better travelled than before and have acquired a liking for foods that differ from their traditional fare.

The United States is no exception. Both as a market and a supplier of gourmet products this country has become a frontrunner. American specialty foods are selling handsomely abroad and have long been a favorite here at home.

Because American consumers are increasingly appreciative of specialty food items, the United States has become one of the world's most attractive markets for foreign suppliers.

West Europeans and the Japanese—biggest buyers of U.S. agriculture's bulk products—are also active salesmen of their gourmet foods here. They are displaying their products in food shows from coast to coast, putting on cooking demonstrations, handing out recipes, using convenient packaging with easy-to-follow instructions, and making *chefs de cuisine* out of a growing number of American housewives.

Increasing demand has made availability a key to sales, so gourmet distributors are placing their products not only in specialty food shops and delicatessens, but also in department stores with specialty food sections, chain supermarkets, gift shops, discount houses, and even drug stores. Some 10,000 outlets now carry specialty foods.

Firm figures on the import and distribution of these foreign gourmet items are nearly impossible to compile because of the wide variety of foods and the elusive definition of the word "gourmet." Sometimes called "fancy," "foreign," and "delicacies," these foods now include ethnic items and—in some listings—dietetic and health foods. So specialty foods are usually defined as foods, beverages, and confections which are "different" from ordinary staples. (Even this definition sometimes breaks down since, de-

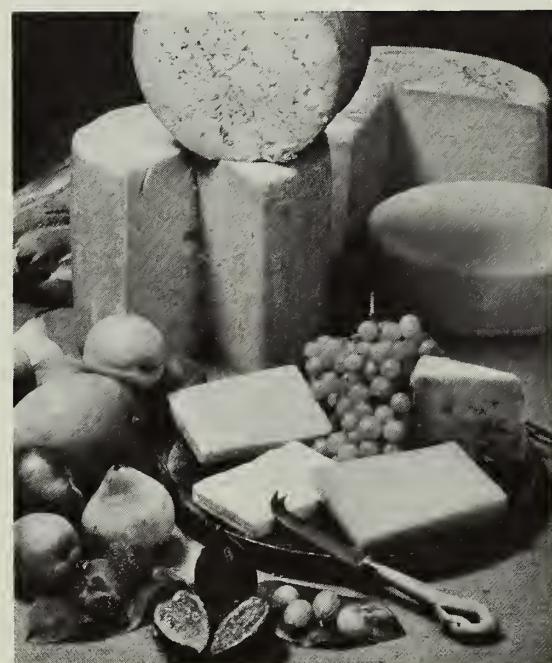
pending on the side of the ocean, one man's vichyssoise is another man's potato soup.)

Foreign suppliers and their American counterparts (small specialty food industries or larger manufacturers with gourmet lines) drum up business here through American advertising media and a few big food shows. Grand dame of these is the National Fancy Food and Confection Show, held each August in New York, preceded by the Pacific Fine Foods and Beverage Show, held in Los Angeles in July.

Seven foreign countries stand out among the many which exhibit their national foods year after year—the United Kingdom, France, West Germany, the Netherlands, Denmark, Italy, and Japan. Their quality products have found a profitable niche on the shelves of American stores.

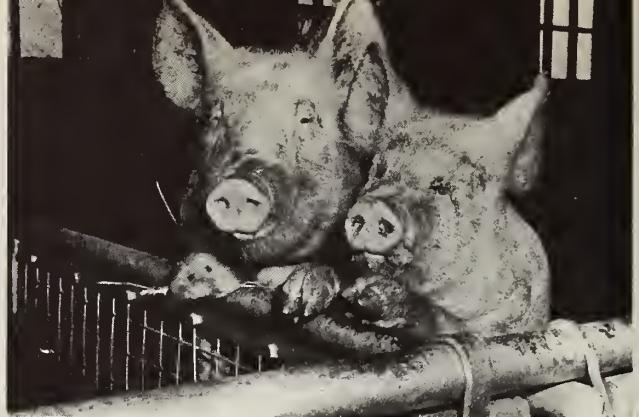
## Britain—cookies, jams, and wild game

Great Britain's influence on the gourmet market has generally been a sweet one, punctuated by the unique foods from the moors and rivers of Scotland. Britishers estimate that in 1966 they earned more than \$20 million on specialty food exports to the United States. Biggest dollar items



Clockwise from right, photo used in American magazines to promote British cheese; French foods sampled in Pennsylvania; front window of Japan Trade Center, New York.





*Top, Dutch pigs to be slaughtered into hams and shoulders; left, an array of canned hams and bacon clearly marked "Product of Denmark" on the label.*

have been sweet biscuits—cookies to Americans—jellies, jams, and candies. Wild game products have also done well, however, as have cheese and a few novelty items.

Most popular of the biscuits are the chocolate coated, Scottish shortbread, filled sandwich cookies, canape and cocktail crackers, and Scottish oatcakes. Britishers are also doing a brisk business with butterscotch candies, chocolates, hard candy, and toffees.

Jam and jelly exports are dominated by marmalades—which were originated in Scotland some 300 years ago as a variation of a Portuguese preserve made from quince—jams flavored with whiskey and other spirits, and uniquely British gooseberry and black-currant preserves.

Venison, grouse, and pheasant from the Scottish Highlands cross the Atlantic canned or preserved, sometimes as the base for soups. Items available here are royal game soup, canned venison, wild duck consomme, grouse roast in port wine, pheasant in burgundy, and traditional English turtle soup, which is always served at the banquets of the Lord Mayor of London. Quality smoked salmon—caught in prime waters off the Scottish coast, treated, thinly sliced, and flown immediately to the United States—is a specialty item which has brought handsome profits.

Eight British cheeses are now available on the U.S. market, Cheshire being the oldest and most widely known. It is golden in color, made from the milk of cows from the Cheshire Valley, and is ideal for Welsh rabbit and other cheese dishes.

Worcestershire sauce, plum pudding, steak and kidney pies, and tea are a few other items with an English signature which have established a firm footing on the American market.

#### France—cheese and vegetables

France's world-famous restaurants and renowned chefs bear witness to the quality of French cooking. Fortunately for those Americans with a taste for *haute cuisine*, many of France's fine foods are available in the United States. Cheese, vegetables, and some exclusive specialty dishes top the list.

France makes over 400 kinds of cheese, with about 100 adding up \$8 million in earnings in the United States last year. Camembert is a favorite dessert cheese, but Roquefort is probably the best known to Americans.

The French export some specially prepared vegetables for American gourmets. Among the good sellers are *petit pois*—tiny sweet peas, often packed with onions—canned artichoke bottoms, and green beans.

Some unique products have become supreme delicacies

to Americans and are usually priced accordingly. *Pâté de foie gras* is one of them. An elegantly prepared food, it consists of goose liver which has been artificially enlarged, molded around a core of truffles, rimmed with fat, and baked. Truffles are a delicacy in themselves—a kind of mushroom that grows 6 inches underground near the roots of certain oak trees and must be routed out by pigs and dogs. The *pâté*—or paste—comes in tins, ready to slice, for about \$32 a pound.

Also on the shelves of U.S. retail shops are French anchovies and sardines, and another food specialty related to shellfish but actually in a class by itself, snails. Gaining in popularity are French quenelles—finger-shaped, light, fluffy dumplings made with finely chopped fish, poultry, or veal. Some come canned with special sauces and are ready to serve. Soups and sauces on the market include French onion, potage St. Germain—made with tiny green peas—and bouillabaisse, made from a variety of Mediterranean fish.

The French are artists with confections, using real flowers dipped in sugar syrup and crystallized to decorate pastries. Made from mimosa, hyacinth, violets, roses, and even mint leaves, these confections are now available in the United States. Cherries, pineapple, and apricots are prepared in brandies and liqueurs, and grapes in champagne. Syrups from France—such as grenadine, currant, mint, or almond—are sold as dessert ingredients.

#### The Netherlands—pork and cheese

The Dutch claimed a healthy \$57-million chunk of the American specialty food market last year, by far the most of it in sales of its top-quality pork products. Also-rans which did well were cheese and canned vegetables.

Canned hams and shoulders would not ordinarily be considered specialty foods, but the Dutch variety—taken from quality animals, then specially treated for just the right characteristic flavor, and marketed with a high price-tag—justifiably sits on the gourmet shelves of American retail stores.

From the Netherlands' highly developed dairy industry come a variety of cheeses—the familiar red balls of Edam and the wheel-shaped Goudas the most notable. Friesian clove cheese, kernhem, and bluefort are also Dutch specialties.

Truck farmers in the Netherlands grow baby vegetables for the specialty food market, plucking the plants from their beds before they are fully mature to retain tenderness and unique flavor. Carrots the size of a woman's little finger and Brussels sprouts no bigger than marbles are

special to the Dutch as well as to customers abroad. Cocktail onions in brine are by far the champion of these baby vegetables; last year the Netherlands—virtually the world's sole supplier—earned \$1 million from sales of these onions to the American market alone.

### Denmark—a smorgasbord of pork products

The outstanding characteristic of Danish specialty foods is variety, with the Danish smorgasbord the keystone. Translated literally as "buttered bread," smorgasbord is just that—an open sandwich piled high with tasty Danish food items.

An advertising pamphlet for Danish foods lists 85 different kinds of these open sandwiches, made mostly with Danish food products. Some of them include: Canadian-style bacon, tomato, and watercress; deviled ham and olives; cocktail sausage and hard-boiled egg; deviled ham, boat of green pepper, and tomato; and Danish caviar, yellow pepper, and parsley. Of course the combinations are limitless.

The basis for many of these open sandwiches are ham and pork products—top items from Denmark. Last year Danish pork products earned \$80 million on the American market alone. Slicing hams come in three sizes, or already sliced in polycel consumer packs of 5 ounces each. Danish pork shoulders and picnic hams are also marketed here, along with Canadian-style bacon (pork loin), sliced Danish bacon, and ready-cooked cocktail sausages made with pure meat. These pork products come from Landrace pigs, a special breed developed for their length (they have an extra rib) and leanness.

Cheese products include Danish blue, Samsoe (round and sweet), Danbo (square and mild), and Emmenthaler, or Danish Swiss. A few other special items which come to Americans from Denmark include frozen Danish pastries, smoked eel, herring, and shrimp.

### Germany—pickled and sweet dishes

Germans toast each other "gut essen und gut trinken" knowing that the food from Germany is among the finest in the world. And Germany offers a wide array of it to the United States, much of it conveniently pre-cooked and packaged for easy serving.

Americans who'd like to try Germany's ragout of wild boar and pig's knuckles with sauerkraut can now buy them in cans. The Germans have even made potato dumplings a snap to cook with their add-water-and-stir potato dumpling mix.

Some popular fish dishes from Germany are smoked sprats and bloaters (herring), pickled Bismarck herring, sliced salmon in oil, German caviar, and shrimp and anchovies.

Despite the Germans' seeming affinity for pickled things (they have long exported pickled cabbage—sauerkraut—and pickled cucumbers and celery), they turn out large quantities of confections and preserves. Jams from strawberries, currants, and raspberries have been most popular, along with plum butter. Germany also offers lebkuchen (fancy gingerbread), sweets and bon bons, liquorice, wine gums, peppermints, rusk, and honeycakes.

Bakery shelves in gourmet shops frequently carry German wheat rolls, rye loaves, and *knaeckbrot*—a thin, dry, rye biscuit. Best known, however, is the sweetish, almost black, Westphalian pumpernickel.

For the cheeseboard Germany supplies Tilsiter, Emmenthaler, and the unmistakable Limburger.

### Italy—cheese and national foods

Few countries can match Italy for the widespread influence its national cuisine has had in the United States. The preponderance of Italian restaurants and pizzerias across the country attest to the ease and eagerness with which Americans have incorporated Italian foods into their daily diets. Even though several large American food manufacturers offer a complete line of Italian specialties, the Italians have maintained a \$30-million market (1966) in the United States for national food favorites straight from the old country.

Italy's flavorful cheeses rank high among the gourmet foods exported. Best known of these are the white Mozzarella—excellent on pizza—Parmesan, Provolone, Romano, sharp and spicy Gorgonzola, and the milder, creamy Bel Paese. These frequently complement Italy's fine meat products. A number of different kinds of salamis are shipped to the United States along with prosciutto ham and mortadella (an oval-shaped pork sausage). Last year the United States imported \$14 million of Italian cheese and more than \$1 million of salami and pork sausage.

Antipasto—a favorite appetizer of Italians—consists of a variety of marinated vegetables, meat, and fish items. Americans can buy a pre-mixed assortment in handy packages or purchase the items individually and offer what they please.

Some other typically Italian foods that are moving off the shelves of American gourmet shops are breadsticks, olive oil, Italian tomatoes, cherries in brandy, spiced fruit puree, and traditional holiday cakes and candies.

### Japan—oranges and sea food

Canned fruits and fish from Japan made up almost all of the nearly \$25 million in gourmet foods shipped to the United States from that country last year. Mandarin orange segments earned almost as much as all other products put together; but white peaches, king crab, and traditional oriental foods were also good items.

Japan's island geography makes it a natural supplier of plain and fancy seafoods. The country has a thriving business in king crab, with sales of crabmeat to the American market bringing in \$2.7 million in 1966. Crabs are caught in nets thrown from 2,000- to 4,000-ton boats in the cold North Pacific waters off Hokkaido. These floating canneries are completely equipped for cleaning, boiling, shelling, and packing the crabs and can 80 percent of the catch before returning to port. Other fancy seafoods offered are smoked oysters, smoked baby clams, cuttle fish, canned abalone, and canned Japanese sauries—a mackerel-like fish with a flavor somewhat suggestive of sardines.

Japan also exports large quantities of its national foods. Americans with a yen for something oriental can buy forest mushrooms (*shii-ta-ke*), rice wine (*sake*), rice crackers, bamboo shoots, soy sauce, and a variety of Japanese candies and vegetables. Housewives can also buy heat-and-serve sukiyaki (a beef-based dish made with oriental vegetables) and kushizashi (skewered beef and mushrooms in a can). A natural complement to these is Japan's traditional green tea, now available in handy teabag form.

# EEC Regulations Pose New Threat to U.S. Poultrymen

By C. C. WARREN

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New problems for U.S. poultrymen are foreseen when the European Economic Community's unified poultry market comes into force July 1, 1967. Draft regulations now under study would mean increased competition for U.S. producers in non-EEC markets, as well as some tightening up of the Community's protection against imported poultry, including parts.

Of major concern to U.S. poultrymen is the proposal to permit export subsidy payments—in whatever amount is necessary—to make EEC poultry competitive "on the world market." This means, of course, that efficiently produced U.S. poultry will be encountering the EEC's heavily subsidized product in many U.S. poultry markets outside the EEC, including Switzerland, Austria, Greece, Kuwait, Singapore, and Japan.

## Effects of EEC subsidies

The U.S. industry already knows that the subsidy procedure can take some fantastic turns. Last year, for example, Netherlands broiler producers stepped up shipments to West Germany. Netherlands poultrymen are relatively efficient producers and were able to unload large volumes of broilers in the West German market despite a German duty of 3½ cents a pound, plus a turnover tax of 4 percent. The low-priced Netherlands poultry hit the less-efficient German producers right in the pocketbook. Supplies of German broilers began to pile up. German exporters, to relieve the pressure, paid a subsidy of 9.1 cents a pound on broiler exports to non-EEC countries. (Switzerland alone imported over 1 million pounds of German chickens in November and December.) When that subsidy failed to give required relief, the EEC permitted German exporters to boost the subsidy to 13.6 cents a pound. That's where it was until February 4, when it reverted to the 9.1-cent level. French, Netherlands, and Belgian exporters may pay subsidies of 7.8 cents, 6.6 cents, and 5.9 cents respectively on shipments outside the Community.

The new subsidy provision would remove all limits on the amount that can be paid. The regulations say that "to make possible exports...on the basis of quotations or prices on the world market, the difference between these quotations or prices and the Community prices may be compensated by an export subsidy."

Under the proposed regulations, the export subsidy would be fixed in a uniform way—but may be differentiated according to country of destination. It would be granted upon request. It would be determined at regular intervals. If necessary, the EEC Commission may—upon request of a member state or on its own initiative—change the subsidy.

## "Norms" seen as obstacle

The proposed regulations sets up "norms" or standards, with respect to quality, packaging, weight, and labeling. This proposal, if accepted, would represent an additional

obstacle to U.S. exports of whole birds and parts to the European Economic Community.

Levies would be composed of two elements: (1) an amount representing the difference between world market feedgrain and EEC feedgrain prices as now applied, and (2) an amount (replacing the present variable levies) equal to 7 percent of the average gate prices in force during the four quarters preceding May 1 of each year. As now, gate price would be calculated on the basis of "the world market price of the quantity of feedgrain necessary to produce 1 kilogram (2.2 pounds) of poultry, and a fixed sum representing third country production and marketing costs." Levies, as now, would be set quarterly—on August 1, November 1, February 1, and May 1. Supplementary levies would continue and would represent, as at present, the difference between the c.i.f. price and the gate price.

Levies on live poultry and chicken parts are now derived from those on slaughtered poultry according to the weight relationships existing between the two product categories. However, according to the proposed regulation, if this weight relationship were to lead to levies that would make third country products too competitive, the weight relationship could be corrected to bring out price relationships deemed desirable by the Community.

(Note: Since June 5 the EEC has imposed a supplemental levy of 5.67 cents a pound on whole chicken and turkey legs, chicken and turkey thighs, and chicken drumsticks imported from third countries, pushing total charges on these items from 12.74 cents to 18.41 cents per pound—a 45-percent increase. The supplemental levy on backs and necks was increased from 5.67 cents to 6.80 cents per pound, bringing total charges on these items to 11.90 cents per pound.)

It seems unlikely that the proposed regulations with respect to unlimited subsidies and levies will correct the chaotic poultry marketing situation that has developed within the EEC. The regulations do not get at the heart of the problem which is, simply, one of production outrunning consumption. As a matter of fact, the regulations may mean delay in bringing about corrective action.

## Production exceeds consumption

The real problem—the market glut that has developed—has surprised the Community. The increase in general prosperity in Europe, coupled with long-term high red meat prices, was expected to provide a rapidly increasing demand for broilers. Dutch, French, and Belgian producers kept looking at West Germany's large imports and assumed that there was room for unlimited quantities of their broilers. And West German producers also thought that, because their own country's imports were so large, there was an unlimited opportunity to increase output for "their" market.

Accordingly, each EEC country has fostered and encouraged the development of its own broiler business during the past few weeks. There has been a jockeying for position. Broiler interests in each country could list several reasons why they should continue to increase output to satisfy their growing home demand and to share in the

rather large intra-EEC trade. Integrated broiler organizations in each country felt that their own location, abilities, and markets justified a rapid increase in production, so that they would be well established by July 1, 1967. This would enable them to fend off competition from the other countries, leaving each to be the dominant supplier in its own area.

All planning was based on the assumption that broiler consumption would continue to soar. Per capita consumption did increase for several years, but the rate of increase slowed down in 1965 and 1966, despite some decline in retail prices of broilers. It seems likely, in this connection, that consumption would increase more rapidly if declines in wholesale prices of broilers—reflecting the tremendous production increase—were carried through to retail stores. In West Germany, average retail prices remained firm at about 57 cents a pound despite deep cuts in wholesale prices during the last few weeks of 1966. Retail prices

were more responsive in the Netherlands, France, and Belgium but not enough to stimulate consumption appreciably. Consumption of broilers for the EEC as a whole has increased about 25 percent during the past 5 years—a healthy gain. But broiler production over the same period has expanded by 47 percent!

An observer can come to only one conclusion after a trip through the EEC's broiler areas: The broiler business there is sick—and it probably will become further demoralized and chaotic before it gets better.

The only sound way the EEC can shorten the present crisis period with respect to broilers is to (1) reduce production to a level that is in line with realistic market demand, and (2) take all steps possible to increase consumption so that the painful task of reducing output can be eased to some extent. Inordinate use of unlimited export subsidies can only postpone the actions that the EEC must take eventually.

## Philippine Republic Makes Start Toward Closing Its Rice Gap

The Philippines made some headway this year in its continuing struggle to expand output of rice. Results, however, will have to be much more impressive in the coming 2 years if the country is to achieve its goal of rice self-sufficiency by 1968-69.

Officially estimated at 4,150,000 metric tons (rough rice), the 1966-67 crop is 2 percent above the 4,072,500 tons produced in 1965-66. This gain comes in spite of localized setbacks from droughts and typhoons and reflects a 4-percent rise in yields; harvested area actually declined, by some 111,000 acres.

Even with this larger crop, the Philippines is short of consumption requirements. As a result, overseas purchases of rice this year are already up to 377,000 tons and could reach 450,000. Major suppliers have been Thailand, Burma, Egypt, Cambodia, Singapore, and the United States.

### Crash program begun

The current crop is the beginning of what the Filipinos hope will be a march toward self-sufficiency. Their aim is to achieve this elusive goal by 1968-69, which means that output must rise 9 percent in each of the next 2 years.

Though optimistic, this production aim does have top priority—along with corn expansion—in the country's current 4-year plan (1967-70). Also, there is a vast potential to expand yields, which lag behind those in all of Asia except Cambodia and Laos and are less than half Taiwan's average of 3,042 pounds per acre.

The program calls for expanded irrigation, increased farm credit, new and better seeds, pest and disease control measures, intensified research, price supports, improved storage facilities, and expanded farmer training and information programs. Though national in scope, it concentrates on 11 priority Provinces, with special emphasis on the big rice-growing area of Central Luzon.

During the first year of the program an additional 148,000 acres of rice land were put under irrigation. This was short of the 274,000-acre goal but still a major contribution toward self-sufficiency, since lack of irrigation facilities is recognized as one of the major deterrents to increased output.

Possibly the most important accomplishment during the first year, however, was the development of a nationwide organization which permits fast and accurate identification of major problems. In the past, accurate assessments of local situations in this nation of scattered islands have been slow and difficult to obtain.

Another achievement was the widespread establishment of demonstration plots. The outstanding success of these plots will undoubtedly speed the farmers' acceptance of new high-yielding varieties and improved cultural practices.

## Japan Importing Sunflowerseed

Recent reports indicate that substantial quantities of sunflowerseed are entering the Japanese market for the first time in recent years. Contracts concluded to date or in negotiation indicate imports of about 100,000 metric tons of seed in calendar 1967. Of the total, 13,500 tons were from Bulgaria, and the remainder will come from the USSR.

This quantity of sunflowerseed would yield about 45,000 tons of oil, which would equal the oil equivalent of about 246,000 tons (9 mil. bu.) of soybeans.

A substantial portion of the sunflowerseed oil, possibly as much as 25,000 tons, will be used in producing mayonnaise. According to the Japan Mayonnaise Association, oil used in calendar 1966 and forecasts for 1967 are as follows:

|  | CY 1966<br>Metric tons | CY 1967<br>Metric tons |
|--|------------------------|------------------------|
| Cottonseed oil .....                               | 31,644                 | 20,000-25,000          |
| Other oils (corn, rice<br>bran, and soybean) ..... | 7,804                  | 0                      |
| Sunflower oil .....                                | 0                      | 25,000-20,000          |
| Total .....  | 39,448                 | 45,000                 |

Information from trade sources suggests that at least 100,000 tons of sunflowerseed will be imported from Russia in 1968, provided supplies are available and prices are at the current "reasonable" levels. They do not expect Japan to import additional sunflowerseed from Bulgaria later this year or in 1968.

# Two New Dams Augmenting Sudan's Irrigated Farmland

*These projects could reduce the country's import requirements for wheat, flour, and sugar, as well as increase its exports of cotton, oilseeds, and coarse grains.*

By CLINE J. WARREN

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Sudan has recently completed the construction of two new dams—Roseires and Kashm El Girba—which together triple the country's storage capacity for irrigation water. This increased water supply makes it possible for Sudan to double the present irrigated area of approximately 2 million acres, and will also permit more intensive and improved practices on current cultivated acreage.

The Roseires Dam, located approximately 300 miles south of Khartoum on the Blue Nile, was officially inaugurated on December 10, 1966, whereas only 2 years earlier, some 400 miles east of Khartoum across the desert on the Atbara River, work was completed on the Kashm El Girba Dam.

Both projects are a major part of the country's 10-year Plan of Economic and Social Development, 1960-70. Combined, these dams will increase the country's annual storage supply of irrigation water by 3.9 billion cubic meters (3.1 million acre-feet). More important, they will make it possible for Sudan to utilize its annual allotment of 18.5 billion cubic meters of water (15.0 million acre-feet) in accordance with the 1959 Nile Waters Agreement with the United Arab Republic.

Both dams will eventually supply hydroelectric power and thereby encourage greater industrial development. Turbines, with the capacity to generate approximately 7,000 kilowatts, were installed at Kashm El Girba at the time of its construction. But the Roseires Dam was built so as to permit heightening for further expansion of irrigation, and possibly for the addition of a hydroelectric plant.

## Resettlement in Kashm El Girba area

The Kashm El Girba project included more than just the construction of a dam. It was initiated in 1961 with the purpose of providing a resettlement site for the 50,000 or more Nubians displaced from the banks of the Nile at Wadi Halfi by the rising waters from Egypt's new Aswan High Dam. Also, part of the reclaimed land is to be used by the Sudanese Government as a pilot project for the settlement of nomadic tribes.

The first settlers from Wadi Halfi arrived with all their possessions. Others followed, and by 1962 total resettlement had been completed. This included over 18,000 head of livestock.

The resettlement area comprises a town centrally located among some 20 villages, each containing 250 houses. Health, education, and other welfare centers have been provided. However, in setting up Kashm El Girba an effort was made to keep the problems associated with a complete upheaval of a community to a minimum. Wherever possible, an entire village was resettled, thus retaining the social, political, and economic traditions of thousands of years.

The new settlers have managed to adjust to their new

environment, but unanticipated problems have risen that tend to retard the project's overall rate of economic progress. Rainfall is nil at Wadi Halfi, whereas the Kashm El Girba receives an annual average rainfall of 5 to 7 inches, and thunder and lightning storms, unknown at the previous location, are not uncommon in the new area.

This weather phenomenon alone has proved most difficult for many of the new settlers. Some farmers will only work their crops during daylight hours, yet research in the area has shown that it is most beneficial to apply irrigation water at night. Furthermore, the intensive rotation that has been developed makes it necessary during some seasons for the main canal to be used continuously if all crops are to receive adequate irrigation water. Currently, the government is working through the educational and extension systems to alleviate these problems.

Plans call for a commercial agriculture to be developed in the region patterned after that of the Gezira—the 2 million acres of irrigated farmland that lie between the Blue and White Niles from their juncture southward. The goal is to bring some 520,000 acres under cultivation. Approximately one-half of this acreage was already under plow as of the 1966-67 crop season. A cropping pattern based on an intensive rotation of cotton (Upland type), wheat, and peanuts, with no fallow, is practiced. Large areas have been set aside for sugar, vegetables, and sisal, and a sugar refinery with an annual capacity of 60,000 tons has been established. The area is also to have a slaughterhouse and a dairy plant.

## Water doubled by Rosires Dam

The net storage of the Roseires reservoir, after evaporation, of water available for use during the annual seasonal shortage from January to July is 2.7 billion cubic meters (2.2 million acre-feet), which will more than double the supply of water available during this period.

Plans are to use the water from the Roseires reservoir to convert 354,000 acres from restricted to unrestricted pump irrigation and to expand the total area under pump irrigation by 695,000 acres. Water also will be available to extend gravity irrigation to 208,000 acres of land adjoining the existing Gezira-Managil area. But since these projects will only consume approximately 70 percent of the available water supply, irrigated acreage can be further expanded as the need arises. Moreover, there is sufficient good land available for this purpose. (Various sources have placed the country's total potentially productive land at approximately 100 million acres.)

Information is not available as to precisely what crops are to be produced through this additional water. Very likely it will be used to expand sugarcane production, and also to promote crops similar to those now grown in the Gezira—cotton (long staple), peanuts, grain (wheat and sorghum), and lubia (a forage legume). However, experimental work is being undertaken to determine the feasibility of new crops, such as safflower, sesame, kenaf,

castor seed, and rice. How extensively the new crops will be promoted depends upon their ecological and agricultural suitability to the area as well as upon the market potential and world price for such crops.

#### Cotton acreage already expanding

Much of Sudan's new agricultural potential is to be realized within the next few years. The area planted to cotton in Sudan has increased 85 percent since 1955 and now amounts to 1.1 million acres; indications are that larger acreage will be planted to cotton within the next decade, although the government is attempting to promote a more diversified agriculture.

Lack of water for irrigation and inadequate transportation facilities were two of the biggest deterrents to agricultural development. Now that the water problem has been solved and transportation improved, the rate of progress toward expanded output will depend largely on the farm labor supply. In recent years it has been necessary to supplement the local labor force with migrant workers from neighboring countries during the cotton and grain planting and harvesting seasons. Seminomadic tribesmen could provide an additional source of manpower if the project for their resettlement proves a success.

#### Trade competition with the U.S.

At present Sudan's foreign trade does not compete to any great extent with the trade of the United States except in world cotton markets. Extra-long staple cotton

(Egyptian type) accounts for approximately 60 percent of Sudan's foreign exchange earnings, but very little of this competes directly with American Upland cotton in the world market. On the other hand, the small quantity of Upland cotton and some of the extra-long staple exported annually by Sudan are in direct competition with U.S. cotton in import markets. With time, the competition could become greater.

It is quite possible, however, that Sudan might encounter difficulties in marketing larger quantities of cotton, in view of increasing production in other countries, the growing use of synthetic fibers, and the recent downward trend in cotton prices. On the other hand, oilseeds, coarse grains, livestock, and livestock products should find a ready market in neighboring Middle East countries.

Also of interest to U.S. agriculture is Sudan's policy with regard to wheat production. At the present time, little more than one-third of the country's rapidly rising wheat requirements is produced locally. In 1965 its purchases of wheat and wheat flour from the United States approximated 90,000 metric tons (wheat equivalent); prior to 1962 they were nil. But should the Sudan deem it necessary, wheat production could be expanded to meet total needs.

In conclusion, the completion of these two dams represents continued progress in Sudan's program of economic and agricultural development, and the efficient utilization of these new resources will make Sudan's presence more strongly felt in the international market for farm products.

*Right, constructing the big Roseires Dam, which was finished and inaugurated last December.*

*Below, sorting cotton, Sudan's leading crop, which will undoubtedly be expanded. Below right, young scientists inspect wheat in Kashm El Girba area. With irrigation Sudan may attempt to grow more wheat to satisfy its needs.*



# Tokyo Department Store Stages All-Out American Foods Festival



*Special promotion of Hawaiian pineapple, left, featured both the fresh fruit and fresh juice made in a battery of food blenders. Above, visitors stood in line to buy American-type doughnuts offered for the first time at Isetan store.*

In Tokyo last month some 1,000 kinds of U.S. food products and drinks were displayed, demonstrated, sold, and widely publicized at a 9-day American Foods Festival at the Isetan Department Store.

Nearly 1 million customers and visitors came to the Isetan store during the Festival—30 percent more than during a normal sales period of the same length. Sales of American foods both in the Festival areas and in the store's regular food departments totaled \$105,000. Canned food was the largest selling product category.

Commenting on the Festival, Tanji Kosuge, Isetan's president, said, "It was a success in every respect. Our customers are aware of the quality and wholesomeness of the wide variety of U.S. food products. They are becoming brand conscious when they buy foods. They like American foods, and I predict that the sales will continue to move upward."

The Festival, largest retail store food promotion ever held in the Far East, was sponsored by Isetan Company Limited, Tokyo, the Foreign Agricultural Service, and the American Embassy, Tokyo. Eight U.S. food and agricultural trade groups—most of them with offices in Japan—and 32 commercial food handlers of American foods in Japan participated.

Sampling and demonstrations were widely held throughout the colorfully

decorated Festival areas on two floors of Isetan. Consumers enthusiastically accepted taste samples of such items as soups; cheese and party snacks; several kinds of cooked poultry; coffee; tea; wines; nuts; honey; peanut butter; crackers; cookies; fresh, dried, canned, and frozen fruits, vegetables, and specialty foods; puddings; carbonated beverages; dry cereals; candies and confections; jams and marmalades; popcorn; doughnuts.

Shoppers were particularly impressed by the number of new types and brands of American food products that appeared on Isetan shelves for the first time. Japanese and American food trade representatives at the promotion predicted that many of these foods would become permanent Isetan food lines.

In late May and in June the Festival moved on to similar department stores in five other Japanese cities—Osaka, Nagoya, Fukuoka, Sendai, and Okayama. The five cities have a combined buying population of approximately 18 million.

## Doughnuts and poultry popular

One of the busiest spots at the Festival was the "American Donut Center," where visitors watched doughnuts being cooked, sampled them, then bought them by the dozens to take home. The doughnuts, made from a mix containing flour from U.S.

wheat, were fried in oil made from American soybeans. During the nine days, 8,585 dozen doughnuts—\$4,300 worth—were sold. Another 8,000 doughnuts were cut and served as taste samples.

The doughnut operation was sponsored cooperatively by the Japanese-American Soybean Institute and Wheat Associates, USA, both Tokyo based and representing their respective U.S. commodity interests in Japan, and Nissin-DCA Foods, Inc., a joint venture company established by Nissin Flour Mills in Japan and DCA Food Industries of New York.

The U.S. poultry industry was represented by the Institute of American Poultry Industries. To promote the industry's export market development program, IAPI sponsored a sales and demonstration area—where an internationally known chef and restaurateur was in charge.

The chef—Herman Leis of Milwaukee—developed and distributed special poultry recipes, showed how to bone out and cut poultry for efficient and tasty preparation and serving, and prepared and demonstrated oriental and curry dishes and salads containing American poultry. He served taste-size samples of his preparations to Isetan customers.

According to Sanya Suzuki, managing director of Isetan's regular poultry and meat concession, sales of Ameri-

can poultry soared during the Festival. His department's poultry sales during the nine days totaled \$5,600—an increase of nearly 250 percent over the same period in 1966. Festival specials were cooked drumsticks and turkey-burgers to be eaten on the spot—the latter offered for the first time in Japan. Both were heavy sellers, as were take-home packages of fried poultry parts and 1- to 2-pound turkey roast (boned).

#### Other industry promotions

American-style deviled eggs were demonstrated and sampled at the booth of the U.S. Feed Grains Council. The eggs—from American-strain hens fed rations containing large amounts of U.S. feedgrains—dramatized the importance of the \$300 million annual market for U.S. feedgrains in Japan, particularly in that country's growing poultry industry.

Some 25,000 visitors sampled the eggs, and over 80,000 leaflets containing the recipe for this delicacy were given out. Sales of fresh and boiled eggs at the USFGC booth amounted to \$2,502. Fresh eggs were also given

an extra sales push in the regular food departments of the store.

U.S. fruit was promoted by the California Prune Advisory Board, the California Raisin Advisory Board, and the California-Arizona Citrus League.

Sales during the Festival totaled \$1,970 for 7,100 packages of extra large, medium, and small prunes. An estimated 15,000 cooked extra large prunes were given out as samples.

The booth of the California Raisin Advisory Board was the scene of continuous demonstrations of foods containing raisins—including bread, buns, cookies, and cakes. Raisins were sold at the booths of three Japanese importers and in the regular Isetan food department. Festival sales amounted to more than \$1,100.

The California-Arizona Citrus League sold nearly \$15,000 worth of fresh grapefruit, lemons, oranges, and citrus juices.

The National Renderers Association promoted U.S. tallow used in Japanese soaps—by publicizing the “wash-up” campaign it is carrying out cooperatively with the All-Japan Soap Association.

## Soybean Teams Visit U.S.

A team of three officials of the Colombian Government last week completed a 17-day inspection tour of soybean processing and marketing facilities in the United States. A 5-man team from Spain will end a similar mission next week; this team includes one representative of the Ministry of Commerce of Spain and leading Spanish oilseed crushers, packers, and processors.

Visits of both teams were sponsored by the Soybean Council of America, Inc., and the Foreign Agricultural Service—as a part of their joint overseas soybean market development program.

The itineraries of the two teams were adapted to the special interests of each group. The Colombian team was interested chiefly in soybean oil, the Spanish team in oil, meal, and whole soybeans.

Both teams visited processing and loading installations at major U.S. ports, the U.S. Department of Agriculture research laboratories at Peoria, Ill., and the Chicago Board of Trade.

## Results of French Grocery Store Promotion Suggest 1968 Encore

Gratified by the success of their weeklong promotion of U.S. foods last month, officials of SPAR-France grocery stores are already considering a larger promotion next year. For the recent special sales week in selected outlets, S-F wholesalers bought \$105,000 worth of U.S. products. Best selling items were pretreated long grain rice, canned fruit cocktail, canned peaches, and fresh orange and grapefruit juices.

In 1966, grocery sales of the 6,856 S-F retail stores amounted to considerably over a quarter of a million dollars.

*Outside and inside two SPAR-France stores during recent U.S. food promotion week. Men checking the window decorations are Paul E. Quintus, left, Agricultural Attaché, Paris, and an S-F official.*



# Cotton Industry Focuses on Quality Improvement

Worldwide developments in production of cotton and textiles have spurred both government and industry to focus increasing attention on improving the quality of U.S. cotton to maintain its competitive position in world markets.

In many foreign countries, cotton output is expanding faster than consumption. This means greater competition for the U.S. crop, some 25 to 40 percent of which is exported.

On the other hand, world supplies of longer staple cottons could well be tight in the foreseeable future. Demand for staple lengths 1-1/16" and longer has grown steadily in recent years, and it appears this uptrend will continue. As mills install high-speed machinery and develop new chemical treatments for finishing textiles, their degree of flexibility in substituting shorter for longer staples diminishes.

The drive in the United States to produce the kinds of cotton most in demand is reflected both in experiments to breed new varieties and in the government price support program. At plant breeding centers from the Carolinas to California, scientists have been working to develop varieties with increased fiber strength, length, and length uniformity while keeping micronaire variation within an accept-

able range and maintaining desirable field performance, including yield. The government loan program this year—with differentials between short and long staple cottons wider than in 1966—encourages farmers to shift to the longer staple lengths and better qualities of upland cotton which are in greatest demand.

Twelve new varieties of cotton have been planted on a commercial basis this season. The most striking development is in the San Joaquin Valley of California, where the Acala 4-42 variety is being replaced with Acala SJ-1, which has a longer staple length.

In other cotton producing areas throughout the country, an estimated 700,000 acres have been seeded to the new varieties. More would have been planted if seed had been available, and larger quantities are expected to be ready for the 1968 season. Total production from this year's 12 new varieties is forecast at about 2 million bales.

Other high quality varieties are being developed in all areas of the Cotton Belt, and the outlook is for substantial progress. For example, even some of the medium staple varieties in the breeding plots yield yarns 25 percent stronger than any now being produced. At the same time, both indus-

try and government continue to promote harvesting and ginning practices to preserve the inherent fiber quality of all varieties grown in the United States.

—Based on a paper by

J. RITCHIE SMITH

National Cotton Council

## U.K. Eases Restrictions On Its Imports of Pork

The U.K. Board of Trade has announced liberalization of pork imports from the dollar area. A limitation on imports of pork and pork products was originally applied by Britain in the early post World War II years for balance-of-payment purposes and was maintained without changes until 1960. At that time, a quota was established of up to 25,000 tons of chilled or frozen pig meat annually.

Now virtually all the remaining restrictions have been lifted, and exporting countries can compete for the British market for all canned and cured pork products—such as hams, pork luncheon meat, and sliced bacon. They may also ship unlimited amounts of frozen, chilled, or processed pork to the United Kingdom. All pork is subject to compliance with relevant animal health and public health requirements before it is permitted entry to the United Kingdom.

One product excepted from the new liberalization is uncanned whole ham. New terms of access for this product may be arranged later.

Since uncooked U.S. pork is not permitted entry under existing U.K. animal health and public health requirements, the removal of the quota restrictions applies only to the export of fully cooked pork items from the United States.

Canadian exporters are expected to begin an aggressive program soon to promote exports of their pork and pork products in the United Kingdom. Canada was a major supplier of pig meat to the United Kingdom in World War II.

The eradication of hog cholera in the United States would open the United Kingdom market on a competitive basis to United States producers for fresh as well as canned pork.

In 1966, Britain imported some 10,300 long tons of chilled or frozen pork, 397,000 tons of bacon, 33,500 tons of canned hams or bacon, and 60,500 tons of other canned pig meat.

## 1,143 U.S. Herefords Bought by Portuguese Farmers



Sixty Portuguese farmers recently invested nearly \$500,000 in 1,100 U.S. Hereford heifers and 43 bulls. The cattle—all now in Portugal or on the way—will be used to expand that country's beef-producing industry. The cattle above were part of the first shipment of over 600 head sent to Portugal last month.

## Exports of U.S. Livestock Products Up in First 4 Months

Exports of U.S. livestock and livestock products in the first 4 months of 1967 were substantially above those in the same period a year earlier.

Exports of the "big three" moneymakers—tallow, hides and skins, and variety meats—were up 15, 10, and 15 percent, respectively, over the first 4 months of a year earlier. Red meat exports gained 30 percent, led by pork which rose 69 percent. This increase in exports is attributed to larger supplies of slaughter livestock in the United States. Mohair exports were up 44 percent, and live cattle exports, 50 percent.

Total red meat imports for the first 4 months of 1967

### U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS [Product weight basis]

| Commodity                        | April        |              | Jan.-Apr.    |         |
|----------------------------------|--------------|--------------|--------------|---------|
|                                  | 1966         | 1967         | 1966         | 1967    |
| <b>Red meats:</b>                |              |              |              |         |
| Beef and veal:                   |              |              |              |         |
| Fresh & frozen:                  | 1,000        | 1,000        | 1,000        | 1,000   |
| Bone-in beef:                    | pounds       | pounds       | pounds       | pounds  |
| Frozen .....                     | 268          | 457          | 1,580        | 923     |
| Fresh & chilled                  | 1,569        | 220          | 5,232        | 1,102   |
| Boneless beef ....               | 53,182       | 51,978       | 191,703      | 231,900 |
| Cuts (prepared)                  | 295          | 86           | 1,089        | 420     |
| Veal .....                       | 2,223        | 1,087        | 6,378        | 5,016   |
| Canned corned beef .....         |              | 4,376        | .....        | 20,868  |
| Canned beef & beef sausage ..... | 5,554        | 944          | 24,709       | 4,063   |
| Prepared & preserved             | 1,813        | 2,584        | 6,088        | 12,567  |
| Total beef & veal                | 64,904       | 61,732       | 236,779      | 276,859 |
| Pork:                            |              |              |              |         |
| Fresh & frozen .....             | 3,882        | 4,000        | 15,268       | 15,146  |
| Canned:                          |              |              |              |         |
| Hams & shoulders                 | 19,427       | 16,737       | 76,944       | 70,969  |
| Other .....                      | 5,099        | 2,328        | 17,595       | 15,991  |
| Cured:                           |              |              |              |         |
| Hams & shoulders                 | 151          | 100          | 559          | 535     |
| Other .....                      | 327          | 429          | 1,516        | 1,415   |
| Sausage .....                    | 170          | 252          | 709          | 938     |
| Total pork .....                 | 29,056       | 23,846       | 112,591      | 104,994 |
| Mutton & goat .....              | 6,092        | 5,068        | 19,597       | 17,624  |
| Lamb .....                       | 2,423        | 972          | 7,029        | 3,369   |
| Other sausage .....              | 489          | 559          | 1,885        | 2,267   |
| Total red meat .....             | 102,964      | 92,177       | 377,881      | 405,113 |
| Variety meats .....              |              | 247          | 272          | 1,480   |
| Wool (clean basis)               |              |              |              | 1,138   |
| Dutiable .....                   | 17,387       | 10,708       | 75,526       | 40,951  |
| Duty-free .....                  | 9,533        | 3,241        | 36,415       | 20,218  |
| Total wool .....                 | 26,920       | 13,949       | 111,941      | 61,169  |
| Hides and skins:                 |              |              |              |         |
| Cattle .....                     | 1,000 pieces | 1,000 pieces | 1,000 pieces | pieces  |
| Cattle .....                     | 9            | 15           | 107          | 54      |
| Calf .....                       | 16           | 50           | 95           | 158     |
| Kip .....                        | 29           | 17           | 136          | 92      |
| Buffalo .....                    | 31           | 21           | 148          | 128     |
| Sheep and lamb .....             | 3,358        | 2,271        | 11,531       | 8,370   |
| Goat and kid .....               | 856          | 457          | 3,921        | 2,691   |
| Horse .....                      | 17           | 7            | 97           | 68      |
| Pig .....                        | 268          | 148          | 739          | 497     |
| Live cattle .....                | Number       | Number       | Number       | Number  |
| Live cattle .....                | 93,107       | 80,181       | 388,568      | 240,432 |

<sup>1</sup>Includes cattle for breeding.

U.S. Department of Commerce, Bureau of the Census.

climbed 7 percent from the 1966 level. The increase was due to a 21-percent increase in boneless (manufacturing quality) beef. Declines in imports were registered for pork, down 7 percent; mutton and goat, down 10 percent; and lamb, down 52 percent.

Live cattle imports—mainly feeder cattle from Mexico and Canada—fell 38 percent. This is a decline of nearly 150,000 head.

### U.S. EXPORTS OF LIVESTOCK PRODUCTS [Product weight basis]

| Commodity                     | April        |              | Jan.-Apr.    |              |
|-------------------------------|--------------|--------------|--------------|--------------|
|                               | 1966         | 1967         | 1966         | 1967         |
| Animal fats:                  | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Lard .....                    | 5,462        | 18,845       | 44,116       | 59,450       |
| Tallow and greases:           |              |              |              |              |
| Inedible .....                | 142,442      | 196,896      | 611,004      | 697,883      |
| Edible .....                  | 572          | 1,271        | 4,741        | 7,752        |
| Red meats:                    |              |              |              |              |
| Beef and veal ....            | 2,010        | 2,301        | 10,857       | 11,003       |
| Pork .....                    | 2,696        | 4,813        | 12,573       | 21,203       |
| Lamb and mutton .....         | 179          | 77           | 439          | 435          |
| Sausages:                     |              |              |              |              |
| Except canned .....           | 172          | 117          | 640          | 606          |
| Canned .....                  | 141          | 139          | 491          | 444          |
| Other canned meats .....      | 779          | 567          | 2,941        | 2,742        |
| Meat specialties:             |              |              |              |              |
| Frozen .....                  | 113          | 193          | 603          | 635          |
| Canned .....                  | 96           | 247          | 718          | 867          |
| Total red meats               | 6,186        | 8,454        | 29,262       | 37,935       |
| Variety meats .....           | 13,831       | 18,225       | 64,894       | 74,359       |
| Sausage casings:              |              |              |              |              |
| Hog .....                     | 465          | 422          | 2,218        | 2,225        |
| Other natural ....            | 341          | 461          | 1,467        | 1,111        |
| Mohair .....                  | 633          | 1,266        | 2,449        | 3,515        |
| Hides and skins:              |              |              |              |              |
| Cattle (parts in pounds) .... | .....        | 3,944        | .....        | 13,208       |
| Cattle .....                  | 1,000        | 1,000        | 1,000        | 1,000        |
| pieces .....                  | .....        | pieces       | pieces       | pieces       |
| Cattle .....                  | 927          | 1,158        | 4,419        | 4,949        |
| Calf .....                    | 149          | 163          | 844          | 706          |
| Kip .....                     | 34           | 35           | 206          | 163          |
| Sheep and lamb .....          | 194          | 274          | 773          | 1,085        |
| Horse .....                   | 8            | 12           | 22           | 21           |
| Goat and kid .....            | 3            | 7            | 131          | 83           |
| Number .....                  | Number       | Number       | Number       | Number       |
| Live cattle .....             | 3,192        | 3,371        | 9,949        | 14,951       |

Bureau of the Census.

## U.K. Lard Imports Running Below Last Year's

British imports of lard during the first 4 months of 1967 were 7 percent below last year's low level. The low level of imports in 1966 was due primarily to a shortage of lard in the United States. Although export supplies are higher this year, lard is experiencing greater competition from abundant supplies of fish and vegetable oils.

Belgium remains the No. 1 supplier of lard to the United Kingdom. Thus far this year, Belgium has supplied over 30 percent of U.K. lard imports, moving over 35 percent greater supplies than a year earlier.

The United States holds about the same relative share of the U.K. market as it did a year earlier—26 percent. However, in absolute terms, U.S. exports of lard to the United Kingdom were down over 2 million pounds, or approximately 7 percent. The countries moving significantly less lard to the United Kingdom from last year were Italy and France.

#### U.K. LARD IMPORTS, JANUARY-APRIL 1966-67

| Country of origin   | 1966         |                  | 1967         |                  |
|---------------------|--------------|------------------|--------------|------------------|
|                     | Quantity     | Percent of total | Quantity     | Percent of total |
| Belgium .....       | 1,000 pounds | Percent          | 1,000 pounds | Percent          |
| United States ..... | 27,532       | 20.8             | 37,260       | 30.4             |
| Romania .....       | 6,997        | 5.3              | 13,269       | 10.8             |
| Poland .....        | 11,406       | 8.6              | 10,016       | 8.2              |
| Denmark .....       | 8,656        | 6.6              | 8,347        | 6.8              |
| Netherlands .....   | 8,693        | 6.6              | 7,351        | 6.0              |
| Germany, West ..... | 4,162        | 3.2              | 6,167        | 5.0              |
| France .....        | 9,326        | 7.1              | 5,618        | 4.6              |
| Sweden .....        | 1,721        | 1.3              | 1,174        | 1.0              |
| Italy .....         | 10,572       | 8.0              | 709          | .6               |
| Switzerland .....   | 2,482        | 1.9              | 277          | .2               |
| Canada .....        | 1,525        | 1.2              | 224          | .2               |
| Others .....        | 4,781        | 3.6              | 105          | .1               |
| Total .....         | 131,979      | 100.0            | 122,429      | 100.0            |

Henry A. Lane and Co., Ltd.

#### Sweden Importing Fewer U.S. Cigarettes

U.S.-made cigarettes are losing ground rapidly in the Swedish market. In 1966, Swedish imports of cigarettes totaled 980 million pieces, with the United States supplying 303 million, or 31 percent. In 1965, the U.S. share in Sweden's market for cigarette imports was 46 percent, and in 1964, 85 percent.

Switzerland, a comember with Sweden of the European Free Trade Association (EFTA), and other EFTA countries have benefited from a preferential tariff on cigarette imports, with the first reduction made July 1, 1960. Since January 1, 1967, there has been no tariff levied on imports of tobacco products from EFTA countries. On the other hand, cigarette imports from the United States and other non-EFTA countries will continue to be assessed \$1.76 per pound. This will make it even more difficult for U.S.-made cigarettes to be sold in Sweden this year and henceforth.

#### SWEDEN'S IMPORTS OF CIGARETTES

| Origin                            | 1964           | 1965           | 1966           |
|-----------------------------------|----------------|----------------|----------------|
|                                   | Million pieces | Million pieces | Million pieces |
| Switzerland <sup>1</sup> .....    | 2              | 376            | 392            |
| United States .....               | 606            | 450            | 303            |
| Denmark <sup>1</sup> .....        | 45             | 97             | 185            |
| Norway <sup>1</sup> .....         | ....           | 1              | 47             |
| United Kingdom <sup>1</sup> ..... | 24             | 19             | 38             |
| Others .....                      | 37             | 41             | 15             |
| Total .....                       | 714            | 984            | 980            |

<sup>1</sup>EFTA countries.

#### South Korea's Tobacco Exports Skyrocket

South Korea exported 20.7 million pounds of tobacco in 1966. This is sharply above the 8.8 million shipped in 1965 and the 0.8 million exported in 1964.

Flue-cured accounted for 18.1 million pounds of 1966

exports, while burley made up the remaining 2.6 million. Principal markets for flue-cured included the Netherlands, West Germany, Canada, Belgium-Luxembourg, Denmark, and Austria; the average export price of these shipments was equivalent to 31 U.S. cents per pound. For burley, the average price was 29 cents.

The country's tobacco monopoly has the objective of exporting about 26 million pounds in 1967, with burley increasing to nearly 9 million pounds and flue-cured declining to about 15 million. The balance is expected to consist of native sun-cured.

#### Egypt's Tobacco Imports Gain in 1966

Egypt's duty-paid imports of unmanufactured tobacco in 1966 totaled 32.6 million pounds, compared with 31.6 million in 1965. The United States supplied nearly 16 million pounds in both of those years.

Other major sources of Egypt's duty-paid tobacco imports in 1966, in millions of pounds, were as follows: Greece 3.9, Mainland China 3.3, Bulgaria 3.3, India 2.7, and Yugoslavia 1.5. All of these countries supplied more of Egypt's imports in 1966 than in the previous year.

#### EGYPT'S DUTY-PAID TOBACCO IMPORTS

| Origin                 | 1964         | 1965         | 1966         |
|------------------------|--------------|--------------|--------------|
|                        | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| United States .....    | 15,869       | 15,945       | 15,826       |
| Greece .....           | 1,526        | 3,410        | 3,889        |
| China (Mainland) ..... | 2,568        | 2,957        | 3,296        |
| Bulgaria .....         | 2,879        | 2,922        | 3,292        |
| India .....            | .....        | 1,466        | 2,718        |
| Yugoslavia .....       | 2,288        | 1,384        | 1,532        |
| Turkey .....           | 388          | 269          | 481          |
| Poland .....           | 168          | 168          | 320          |
| Rhodesia-Zambia .....  | 432          | 1,469        | 339          |
| USSR .....             | 340          | 301          | 320          |
| Japan .....            | .....        | 747          | 215          |
| Others .....           | 1,882        | 545          | 349          |
| Total .....            | 28,340       | 31,583       | 32,577       |

#### Pakistan's Cigarette Output Still Rising

Cigarette output in Pakistan during the first 8 months of fiscal 1967 (July 1966–February 1967) totaled 19,496 million pieces, or 19.2 percent larger than the 16,354 million produced in the same period of fiscal 1966. Production for the entire fiscal year is likely to approach 31,500 million pieces, compared with 26,450 million produced in fiscal 1966.

Output in calendar 1966 totaled 29,242 million pieces. This was almost 33 percent above the 22,009 million produced in 1965 and about 3 times larger than the 1960 figure of 9,946 million.

#### Canadian Leaf Tobacco Usings Up a Little

Usings of leaf tobacco by Canadian manufacturers during 1966 totaled 138.4 million pounds—only slightly above the revised figure of 137.0 million for 1965. Larger usings of flue-cured more than offset declines in other kinds.

Usings of flue-cured tobaccos, at 125.0 million pounds, were 2.2 percent greater than the revised 1965 level of 122.3 million pounds. (The unrevised figure for 1965 was 123.8 million). Domestic flue-cured accounted for practically all of the absolute increase, whereas imported flue-

cured showed a gain of only 62,000 pounds from the 1965 level of 1,105,000. Usings of burley and cigar tobaccos were down almost 10 percent each, while the combined total of all other kinds was down about 6.5 percent.

Stocks of unmanufactured tobaccos (domestic and imported) on December 31, 1966, totaled 163.5 million pounds—off about 14 percent from the 190.6 million held on the same date a year earlier. Stocks of flue-cured tobaccos dropped to 145.0 million pounds from 170.8 million and were equivalent to 13.9 months' requirements, compared with 16.8 months' on December 31, 1965.

## Israel's Tobacco Imports Climb

Israel's imports of unmanufactured tobacco in 1966 totaled 5.2 million pounds—about 1 million below those of 1965. The United States supplied 966,000 pounds in 1966, compared with 762,000 in 1965. Greece and Turkey, the major sources of Israeli tobacco imports, furnished about 2.0 million and 1.3 million, respectively, last year.

### ISRAEL'S IMPORTS OF UNMANUFACTURED TOBACCO

| Origin              | 1964                    | 1965 <sup>1</sup>       | 1966 <sup>1</sup>       |
|---------------------|-------------------------|-------------------------|-------------------------|
|                     | <i>1,000<br/>pounds</i> | <i>1,000<br/>pounds</i> | <i>1,000<br/>pounds</i> |
| Greece .....        | 1,384                   | 2,059                   | 1,993                   |
| Turkey .....        | 1,303                   | 1,360                   | 1,311                   |
| United States ..... | 648                     | 762                     | 966                     |
| Bulgaria .....      | 1,226                   | 1,113                   | 659                     |
| Yugoslavia .....    | 148                     | 498                     | 207                     |
| Rhodesia .....      | (2)                     | 53                      | 49                      |
| Canada .....        | .....                   | 176                     | 24                      |
| Others .....        | 397                     | 185                     | .....                   |
| Total .....         | 5,106                   | 6,206                   | 5,209                   |

<sup>1</sup>Preliminary; subject to revision. <sup>2</sup>If any, included with others.

## Cotton Consumption, Imports Rise in Chile

Consumption of raw cotton in Chile has risen continuously for a number of years and is expected to reach about 140,000 bales (480 lb.) in the current season. Textile demand faltered slightly in 1965-66 because of an increase in the government-administered price of textiles. However, general wage increases have since bolstered consumer incomes, and a greater demand for cotton goods is anticipated for the current season.

Chile does not produce cotton, and therefore it must import its entire raw cotton supply. Imports in 1965-66 are estimated at approximately 140,000 bales. Peru was the principal supplier during 1965-66, with Mexico second. The United States in past years supplied a larger share of Chile's cotton requirements, but in recent years U.S. exports have accounted for only a minor portion of the total. A major reason for the decline in U.S. shipments of cotton to Chile was the formation of the Latin America Free Trade Association (LAFTA), of which Chile is a member.

## More Cotton Produced in Nicaragua

Nicaragua's raw cotton production in 1966-67 is estimated at 525,000 bales (480 lb.)—slightly above last season's drought-affected crop of 505,000 but somewhat lower than had been previously anticipated. The planted area for the current crop is about the same as the 1965-66 acreage of 350,000 and is expected to remain at this level another

year. Yields will probably continue near the 700 pounds per acre reported for 1965-66. High yields have been encouraged by the National Bank's policy of providing loans only to the more productive growers. Also, growers are encouraged to reduce costs, improve fiber quality, and improve marketing methods.

Japan continues to be the principal market for Nicaraguan cotton, taking 64 percent of the 9,500 bales exported in the first 4 months of the 1966-67 season, compared with 52 percent in the 1965-66 period. Exports in the current year are expected to be slightly higher than the 477,000 bales exported during 1965-66.

Cotton consumption in Nicaragua remains at about 10,000 bales a year.

Stocks on hand on August 1 were estimated to be approximately 54,000 bales.

C.i.f. prices in Liverpool for the current crop of SM 1-1/16 inch staple cotton averaged 27.88 cents per pound during May.

## Norway's Increased Production of Marine Oils

Norway's total production of marine oils in 1966 increased to 265,380 metric tons—43,000 tons more than in 1965.

Production of fish oil accounted for the increase. Fish oil produced in 1966 reached an alltime high of 227,000 tons—up 36 percent from the 167,000 tons produced in the previous year. The record production resulted mainly from extraordinary catches of mackerel in the North Sea during the latter part of 1966. Herring and other fish oils increased moderately.

Whale and sperm oil production declined to only 22,200 tons, or slightly more than half of the 40,577 tons produced a year earlier.

### PRODUCTION OF MARINE OILS IN NORWAY

| Marine oils                  | 1965                   | 1966                   |
|------------------------------|------------------------|------------------------|
|                              | <i>Metric<br/>tons</i> | <i>Metric<br/>tons</i> |
| Fish oil .....               | 167,000                | 227,000                |
| Fish liver oil .....         | 11,500                 | 12,000                 |
| Total .....                  | 178,500                | 239,000                |
| Seal oil .....               | 2,700                  | 4,100                  |
| Sperm oil:                   |                        |                        |
| Antarctic .....              | 9,869                  | 5,271                  |
| Shore stations, Norway ..... | 177                    | 276                    |
| Total .....                  | 10,046                 | 5,547                  |
| Whale oil:                   |                        |                        |
| Antarctic .....              | 29,877                 | 16,384                 |
| Shore stations, Norway ..... | 654                    | 349                    |
| Total .....                  | 30,531                 | 16,733                 |
| Total marine oils .....      | 221,777                | 265,380                |

Fish and seal oil: Directorate of Fisheries, Bergen. Whale and sperm oil: *The Norwegian Whaling Gazette* (Antarctic) and Ministry of Fisheries, Oslo (Norway shore stations).

## Canada's Margarine and Shortening Production

Margarine production in Canada in 1966 rose to 90,687 short tons—8 percent more than the 83,592 tons produced in 1965. Less soybean oil was used by the industry; it accounted for only 39 percent of the total of all fats and oils used in margarine production, compared with 49 percent in the previous year. The use of "other" vegetable oils, including rapeseed oil, increased considerably, more than offsetting the decrease in marine oils and animal fats.

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Shortening production was reported for 1966 on a new basis, in accordance with instructions initiated by the Dominion Bureau of Statistics. The 1966 data give a more accurate picture of shortening production, but do not reflect the actual change that occurred between 1966 and 1965.

Moreover, the breakdown by type of fat or oil was not as complete this year for either margarine or shortening production, since the quantity of some materials used was reported by two firms only, and details were not revealed.

#### OILS AND FATS USED BY CANADIAN MARGARINE AND SHORTENING INDUSTRIES

| Oil or fat <sup>1</sup> | Margarine              |                        | Shortening             |                        |
|-------------------------|------------------------|------------------------|------------------------|------------------------|
|                         | 1965                   | 1966                   | 1965                   | 1966                   |
| Vegetable:              |                        |                        |                        |                        |
| Soybean                 | 1,000<br>short<br>tons | 1,000<br>short<br>tons | 1,000<br>short<br>tons | 1,000<br>short<br>tons |
| Other <sup>2</sup>      | 33.6                   | 28.7                   | 29.8                   | 32.3                   |
| Total                   | 15.4                   | 26.4                   | 24.9                   | 51.9                   |
| Marine and animal       | 49.0                   | 55.1                   | 54.7                   | 84.2                   |
| Grand total             | 19.0                   | 17.8                   | 40.9                   | 42.2                   |
| Vegetable:              | Percent                | Percent                | Percent                | Percent                |
| Soybean                 | 49.4                   | 39.4                   | 31.2                   | 25.5                   |
| Other <sup>2</sup>      | 22.6                   | 36.1                   | 26.0                   | 41.1                   |
| Total                   | 72.0                   | 75.5                   | 57.2                   | 66.6                   |
| Marine and animal       | 28.0                   | 24.5                   | 42.8                   | 33.4                   |

<sup>1</sup>Refined oil basis. <sup>2</sup>Complete breakdown by type of oil used as reported in previous years is not available for 1966.

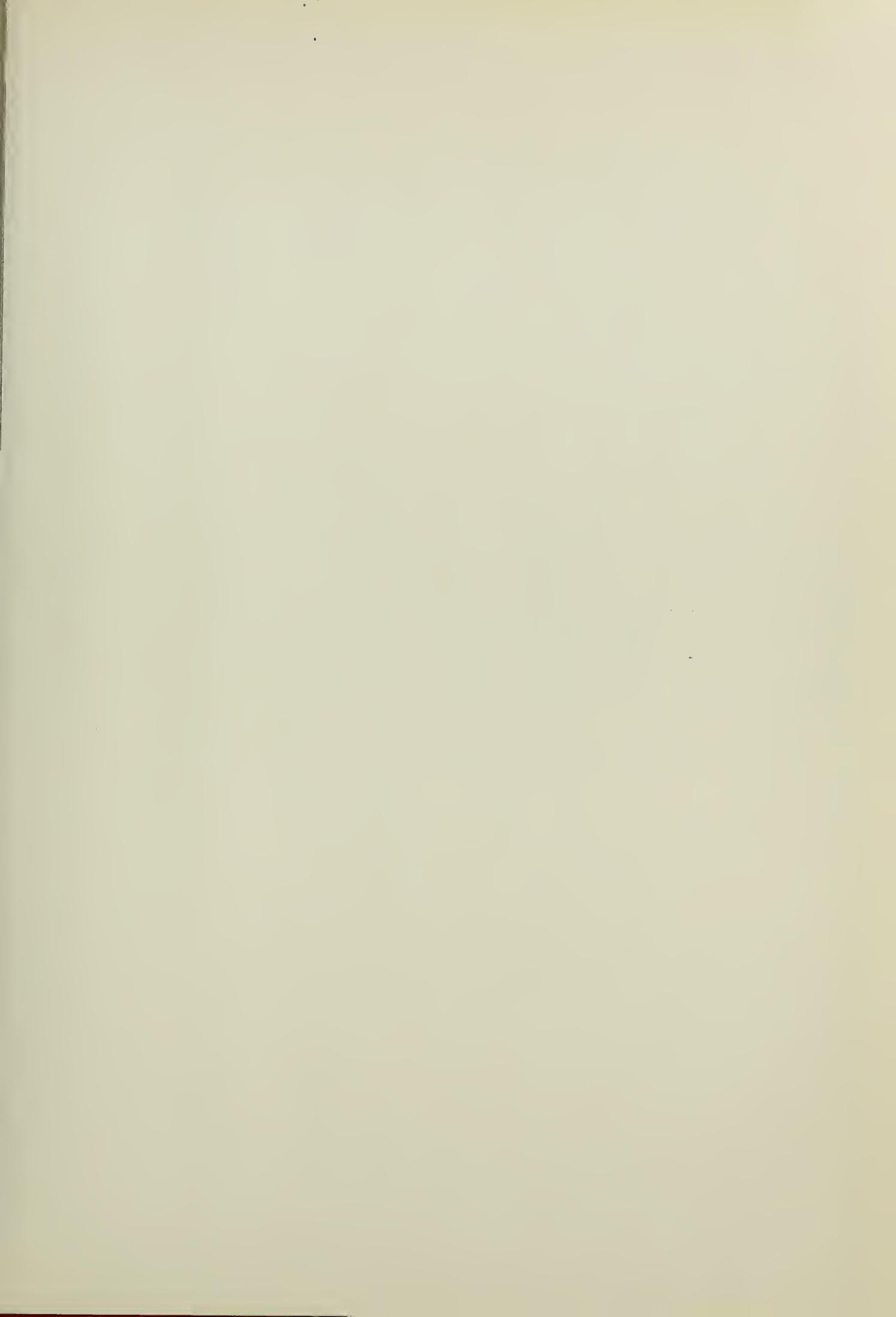
Dominion Bureau of Statistics.

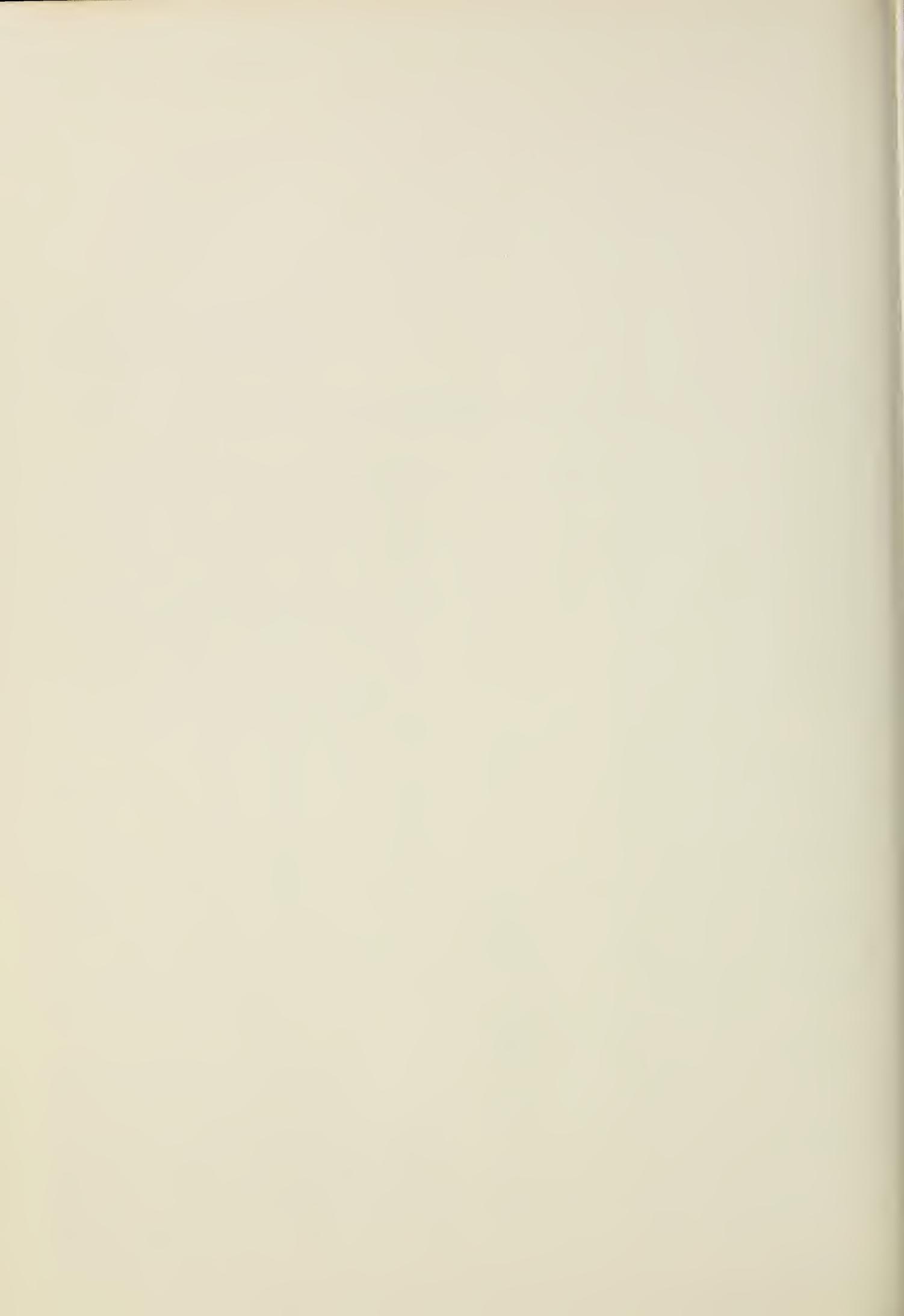
## Export Control Licensing Liberalized

On May 29, the Department of Commerce announced that export control licensing requirements for shipment of a wide range of agricultural commodities to most Eastern European destinations had been liberalized. This liberalization is part of the continuing administration effort to "build bridges" to Eastern Europe by encouraging trade between the United States and these countries in non-strategic commodities.

These items may now be shipped to most East European destinations under general license:

| Control numbers | Item  |
|-----------------|---|
| 023             | Butter and anhydrous milk fat   |
| 024             | Cheese and curd   |
| 047             | Cereal flour, meal, and groats n.e.c.   |
| 04820           | Malt and malt flour   |
| 04830           | Macaroni, noodles, and similar products   |
| 04884           | Other preparations of flour, starch, or malt extract n.e.c.   |
| 05389           | Peanuts—roasted or otherwise prepared except salted (salted already liberalized)  |
| 11100           | Chocolate flavored milk beverages   |
| 121             | Leaf tobacco—stemmed and unstemmed—and unmanufactured tobacco n.e.c.  |
| 22110           | Peanuts (groundnuts)—green, shelled, or unshelled   |
| 24210           | Pulpwood  |
| 24221           | Port orford cedar sawlogs   |
| 24222           | Port orford cedar sawlogs   |
| 24321           | Port orford cedar lumber  |
| 24322           | Port orford cedar lumber  |
| 263             | Raw cotton, cotton waste, and corded or combed cotton   |
| 264             | Jute, including jute cuttings and waste   |
| 27110           | Natural fertilizers of mineral or vegetable origin not chemically treated   |
| 27120           | Natural sodium nitrate  |
| 29291           | Pyrethrum extract   |
| 42120           | Soybean oil and soybean salad oil   |
| 42130           | Cottonseed oil and cottonseed salad oil   |
| 42140           | Peanut oil n.e.c.   |
| 42180           | Soft vegetable oils, as follows:<br>Sunflowerseed, rape, colza, and mustard, including all mixed or blended soft salad oils |
| 42210           | Linseed oil, raw  |
| 42230           | Coconut oil   |
| 43130           | Fatty acids and refining byproducts of vegetable origin, including industrial mixtures                                      |
| 51209           | Behenic acid, lauric, myristic acid, palmitic acid  |
| 56100           | Natural animal or vegetable fertilizers, chemically treated and mixed fertilizers except ammonium phosphates                |
| 59951           | Corn starch and other grain starches, including industrial type   |
| 59964           | Wood rosins, gum rosin, tall oil rosin, derivatives of rosin and rosin acids, except ester gums                             |











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